Emerging multinationals and global value chain analysis:

A preliminary evidence from Thailand

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The increasing significance of multinational enterprises (MNEs) from developing countries is now a major feature in the global economy. From a negligible amount during the mid-1980s, the share of outward foreign direct investment (FDI) from emerging economies is reaching a quarter of the global outflows in 2009 (UNCTAD 2010). The aggressive expansion of multinationals from China and, to a certain extent India, helps intensify and enrich research interests on the issue.[1] From being a peripheral research topic, the rise of multinationals from developing countries has become one of the key questions addressed in the mainstream international business research (Narula 2009, Gammeltoft, Barnard and Madhok 2010).

Despite the variety of issues addressed, some common stylized similarities have been accepted. For example, the faster pace of globalization since the 1990s and the changing policy in developing countries to move from import substitution policy toward export-oriented growth have been acknowledged as key macro-economic factors that stimulate more outward activities of firms from developing countries (Ramamurti and Singh 2009, Narula 2009). The changing policy landscape, along with rapid developments of the information and communication technology, has propelled the rise of outward FDI from emerging markets (Luo and Tung 2007).

Second, it is generally agreed that the emergence of these emerging multinationals is partly a result of their previous engagements with established MNEs from developed economies, either as suppliers or joint venture partners. The recent literature in international business has increasingly stressed that the rise of emerging multinationals has a lot to do with how they manage their relationships with established MNEs from advanced economies. For example,

[1] There are a number of books and special issues of journals dedicated specifically to the emergence of multinationals from developing countries. Recent ones include, for example, UNCTAD (2006), Goldstein (2007), Ramamurti and Singh (2009). Some leading journals also came up with special issues, including *Journal of International Business Studies* special issue on 'International expansion of emerging market businesses' in July 2007 , *Journal of International Management* special issues on 'Emerging multinationals from developing economies: motivations, paths and performance' in June 2007 , and on 'Emerging multinationals: Outward foreign direct investment from emerging and developing economies' in June 2010, as well as *Industrial and Corporate Change* special issue on 'The internationalization of Chinese and Indian firms: trends, motivations and strategy' in April 2009.

whether and how the role of clusters and global production networks or global value chains shapes the evolution of emerging multinationals are an area that could be further explored. The need to understand how the home-country institutional context shapes strategies and behaviours of emerging multinationals has recently been stressed, as IB scholars increasingly accept that variations in local institutional context may lead to differences betweemn multinationals from advanced and emerging economies (see Gammeltoft, Barnard and Madhok 2010).

The splitting up and globalisation of production networks has been a key factor that allows firms from developing economies to integrate into global industries. The topic has rightfully attracted a wide interest across disciplines, including economic sociology (see Bair 2005, 2008), economic geography (Mudambi 2008), development economics (see chapters in Schmitz 2004), and political economy (Levy 2008). Various researchers have taken up the view that an important part of globalisation is undertaken through MNEs and systems of governance that links firms from different countries together in a variety of arrangements. Through this ‘global value chains’ (GVCs) lens, a growing number of studies has explored the global integration of many industries, particularly textiles and apparel, footwear, electronics, horticulture, and motor vehicles, in many regions including East and Southeast Asia and Latin America (see Sturgeon and Gereffi 2009 for a recent review). Despite their many insights, this literature considers local firms in host developing economies simply as suppliers to established MNEs and rarely explores how these local firms may also expand their operations abroad and how their internationalisation could impact their position in the global value chain of various industries.

To fill the gap between these two streams of literature, this paper addresses the emergence of developing-country multinationals from the global value chain perspective. Based on the original firm-level database created from financial reports of listed firms in the Stock Exchange of Thailand (SET), this paper first explores the ‘who does what and where’ question to map out the internationalisation patterns among these emerging Thai multinationals. Starting with a review of the literature on both emerging multinationals and on the global value chains, the paper then explains the research methodology, and concludes with some key findings. Directions for future studies are also recommended.

I. Literature review

The rise of emerging multinationals

Similar to studies of MNEs from developed economies, the research on emerging multinationals has addressed a variety of issues from different levels of analysis. At the country-level analysis, research interests often focus on the aggregate outward FDI activities of emerging economies. One model that links a country's tendency to engage in FDI activities to its level of economic development is the investment development path (IDP), first introduced by Dunning in 1981, and later extended by himself (Dunning 1988, 1993), Narula (1996) and their joint work (see Dunning and Narula 1997, 2004; Narula and Dunning 2000, 2009). The IDP stipulates that there is a systematic relationship between the structure, extent and nature of FDI activities associated with the economic structure of a given location, which in turn, reflects its level of economic development. Countries with low level of economic development tend to have low level of inward FDI as a result of weak location-specific advantages. As countries develop, their location advantages increase, attracting more inward FDI, which in turn, contribute to the accumulation of ownership-specific advantages of domestic firms. Once a country reaches a level of economic development where their domestic firms accumulate sufficient ownership advantages, it will engage in outward FDI activities. The main implication on the rise of emerging multinationals is that only when positive externalities caused by inward FDI in a given developing country can be internalised by domestic firms shall we see the emergence of multinationals from that particular country. In other words, the growth of multinationals from developing countries is indirectly linked to how those countries absorb the benefits brought to them through inward FDI by MNEs from other countries.

At the firm-level analysis, the literature on multinationals from developing countries centres on their nature of competitive advantages. The first wave of the literature, those that emerged in the early 1980s, argued that developing-country multinationals derived their competitive advantage from their ability to reduce costs of imported technology through 'descaling' techniques like replacing imported inputs with cheaper local ones. These cost advantages could only be exploited in other developing countries, whose conditions are similar to the home country, and are unlikely to be sustained in the long run (see, for example, Wells 1977, 1981, 1983, Lecraw 1977, 1981, Kumar 1982). The second wave of the literature appeared more optimistic about the long-term sustainability of developing-country multinationals. Proponents of this view suggested that the competitive advantages of these firms were derived from their ability to accumulate technological skills through the process of learning by doing (see, for example, Lall 1983a, b, Cantwell and Tolentino 1990, Tolentino 1993, Lecraw 1993, Dunning et al. 1997).

With the sole emphasis on accumulating sufficient proprietary technological capabilities, the above literature was criticised on two counts. First, the precondition of having existing competitive advantages at the outset of internationalisation process did not bode well with the emergence of developing-country multinationals which often relied on international expansion to augment their competitive advantages (see Mathews 2002, 2006). Second, the literature was criticised for offering an ‘under-socialised’ view, in which firms were perceived to be detached from other social institutions and their competitive advantages were therefore derived from within its own boundaries only. This view is contrary to empirical evidence of MNEs from latecomer developing countries, particularly those from Asia, which showed how network relationships and the ability to leverage from different types of networks were significant in their domestic and international expansion (Yeung 1998, Pananond and Zeithaml 1998, Pananond 2001, 2007, Peng 2003, Peng and Zhou 2005, Mathews 2002, 2006, UNCTAD 2006).

Several types of networks have been identified. Cultural sociologists, especially those who studied Asian firms, often stressed the importance of ethnic networks as a key source of advantages. Proponents of this view argued that when these ethnic Chinese firms expanded within the region, the common cultural background promoted trust and reduced transaction costs, hence improving the competitive advantages of these firms in their regional operations (see Limlingan 1986, Redding 1990, 1995, Weidenbaum and Hughes 1996, Yeung 2004). Increasingly, international business scholars also point out that contemporary MNEs are engaged in a myriad of relationships from internal ties between its headquarters and subsidiaries to external linkages with suppliers to customers (see Dunning and Lundan 2008).

It is generally agreed that the emergence of emerging multinationals is partly a result of their previous engagements with established MNCs from developed economies, either as suppliers or joint venture partners. The recent literature in international business has increasingly stressed that the rise of emerging multinationals has a lot to do with how they manage their relationships with established MNEs from advanced economies (see, for example, Guillen and Garcia-Canal 2009, Ramamurti 2009, Luo and Tung 2007). 'Catching-up' through the process of learning-by-doing as suppliers to established MNCs before moving up the value chain has been advocated as crucial to the emergence of EMNCs. This pattern is most dominantly associated with the rise of multinationals from the Newly Industrialising Countries (NICs) of East Asia, particularly South Korea and Taiwan (see Dunning, van Hoesel and Narula 1997, van Hoesel 1999). With more and more MNCs outsourcing many of their activities to developing economies, scholars in international business have increasingly suggested that research on emerging multinationals should look at the role of clusters (Ricart *et al.* 2004) and global production networks or global value chains in prompting the continued growth of emerging multinationals (Narula 2009). There is definitely a need to explain the rise of these newcomers from the perspective of global value chain analysis. The next part elaborates more on the literature on global value chains and global production networks.

Global value chains and global production networks

The chains perspective of globalisation originated from the sociological viewpoint that considers economic organizations as part of a larger social network. As such, economic organisations, like firms, are considered to be embedded and linked with other institutions in the society (see Granovetter 1985). It was Hopkins and Wallerstein (1986) who came up with a chain metaphor to refer to 'commodity chain' as 'a network of labour and production processes whose end result is a finished commodity' (p. 159). The fundamental research interest of this school is to understand how commodity chains structure and reproduce a stratified and hierarchical world system (Bair 2005).

A relevant, yet divergent, school of thought on commodity chains is led by Gary Gereffi and his colleagues. Supporters of this school view global commodity chains as inter-firm networks which connect manufacturers, suppliers in global industries to each other, and ultimately to buyers in developed country markets. The ultimate goal of this approach is to explain how global commodity chains are controlled by different powerful economic actors. The key concept used in explaining these relationships is 'governance structure', which is defined as the ‘authority and power relationships that determine how financial, material and human resources are allocated and flow within a chain’ (Gereffi 1994, p. 97). Based on the analysis of main economic actor in the governance structure, two types of chains were identified. Producer-driven chains are typical of capital-intensive industries in which manufacturers ‘drive’ the chains forward through their control and ownership of suppliers’ activities. Tightly integrated vertical chains are prevalent in these industries. A notable example is motor vehicle production, in which manufacturers play a dominant role in determining how products and resources flow within the chain. On the contrary, buyer-driven chains, common in food, apparel and footwear, are more influenced by the role of buyers or brand-name marketers, which often manage these inter-firm linkages through non-equity ties.

The chain concept of analysing globalisation has attracted much interest but overlapping terminologies used in this stream of research disguised the common ideas shared among their proponents. In 2000, when researchers who worked on the value chain concept got together, they adopted the term ‘global value chain’ (GVC) because ‘it was perceived as being the most inclusive of the full range of chain activities and end products’ (Gereffi, Humphrey, Kaplinsky and Sturgeon 2001, p.3). Works under the newly coined term continue to focus on ‘governance’ as the central concept of the GVC approach (Humphrey and Schmitz 2001, p. 20). The emphasis is placed less on the arrangements of the non-market coordination of activities, but more on analysing which economic actors along the value chain play a dominant role in the production process.

In an attempt to provide a more inclusive framework for the analysis of inter-firm linkages in the global economy, Gereffi, Humphrey and Sturgeon (2005) identified five basic types of value chain governance that form a spectrum between the two opposite ends of the arm’s length market transactions and the vertically integrated hierarchy of firms. The three types of in-between linkages are: modular; relational and captive value chains. These five types of governance structure differ in the degree of control buyers exert over suppliers and in the degree of interdependence between buyers and suppliers in the value chains. While the arm’s length *market* exerts the lowest level of control and allows both sides to freely switch to new partners, *modular, relational* and *captive* chains take place when the extent of asset specificity increases and, hence, more interdependent governance structure. At the highest level of managerial controls is the hierarchy of a vertically integrated firm.

The GVC's emphasis on governance structure has been criticised by another group of sociologists who has developed a different concept which they call 'global production networks' (see Dicken *et al.* 2001, Henderson *et al.* 2002). Supporters of the global production networks (GPN) point to three major gaps in the GVC research. First, the overemphasis on governance structure makes the GVC approach focus on only organisations within the vertically integrated value chains at the expense of other institutions which may not be linked directly to the focal firms including the state (Bair 2008). Second, given its empirical focus on existing chains, the GVC perspective is criticised for omitting the history of the chain development. Third, the GVC approach is criticised for not paying enough attention to distinguish types of firm ownership into domestic, foreign and nationality. Henderson *et al.* (2002) remarked that the 'nationality' of firm ownership was a key element in economic and social development. In simpler words, the GPN represents an all-encompassing view that pays attention not only to actors in the value chains, but also to other institutions in which they all are embedded. Despite the different emphases, most research carried out under the GPN banner consists of detailed and empirically rich case studies that do not differ greatly from the tradition of the GVC (Bair 2009). In this paper, the term 'global value chain' will be used to reflect the focus on inter-firms relationships within the global industries. The next part reviews how both chain and network literatures explain the integration of local firms and emerging multinationals to existing networks in global industries.

The integration of local firms and emerging multinationals to global industries

One major implication from the global value chain literature is that success for local firms in developing countries is dependent on their ability to access established global value chains in their particular industry. Gereffi (2001, p. 32) clearly stated that 'in order for countries and firms to succeed in today's international economy, they need to position themselves strategically within these global networks and develop strategies for gaining access to the lead firms in order to improve their position'. Lead firms refer to those that control access to major resources (such as product designs, new technologies, brand names or consumer demand) that generate the most profitable returns (Gereffi and Memedovic 2003, p. 4). Empirical research adopting the GVC perspective often highlight how the splitting up of production networks has allowed firms from developing countries to gain access to developed markets as suppliers to multinational lead firms in buyer-driven industries like footwear and apparel. Global sourcing allows firms in developing economies to upgrade themselves from assemblers to full-package suppliers of lead multinationals. Industrial upgrading takes place when firms improve their position in international trade networks through organisational learning (Gereffi 1999).

The above view of upgrading is seen to be too optimistic and automatic (Humphrey and Schmitz 2004). Local firms do not automatically improve their position without continuous investment that could improve their absorptive capacities (Narula and Dunning 2009). Humphrey and Schmitz (2002, 2004) argued that industrial upgrading for local producers is not an automatic result of participating in global value chains. Rather, chain governance structures the upgrading opportunities for developing country firms. They identified market and hierarchy as two opposite ends of governance structure. The spectrum in-between consists of '*quasi-hierarchy*', in which buyers exercise a higher degree of control over suppliers in order to control the kinds of products to be produced and to reduce the risk from the suppliers' performance failures; and '*networks*', whereby relationships among firms are more equally interdependent. The authors also divided upgrading into four types: *product upgrading* (moving into more sophisticated product lines), *process upgrading* (transforming inputs into outputs more efficiently), *functional upgrading* (abandoning existing functions and/or acquiring new ones in the chain), and *inter-sectoral upgrading* (using the knowledge acquired in particular chain functions to move into different sectors). The authors argued that the more captive relationship of the chain governance structure is, the less likely that local firms from developing economies could engage in functional upgrading. They are more likely to be restricted to product and process upgrading. Only when developing-country firms increase their capabilities can the governance structure of the value chain be altered.

Both the literature on emerging multinationals and that on global value chains provide many powerful insights on the evolution of firms from developing economies. There are nonetheless shortcomings that need to be addressed in order to further our understanding on the role of emerging multinationals in global industries. First, there exists a gap that needs to be filled between these two streams of literature. While the IB literature on emerging multinationals focuses on what they do outside of their home markets, the GVC research often limits their scope to interactions between lead firms and local subsidiaries in the domestic market. Little attention has been paid to how local firms that have developed as suppliers to established MNEs could one day expand abroad to establish their own value chains separated from those of the MNEs they formerly supplied, and how the internationalisation of these local firms can shift the dynamics of their previously established value chains. It is this gap between the two streams of literature that this paper addresses.

The second drawback shared by both schools is the limited empirical representation that draws more from successful cases of firms and production networks located in the more advanced developing economies. The literature on emerging MNEs was predominantly based on firms from the Newly Industrialising Countries (NICs) of East Asia in the 1990s, and is now heavily led by studies on big and successful emerging MNEs from large economies, especially China, India and Russia (see Narula 2006). Names like Huawei, Lenovo, Tata, Wipro, Gazprom and Embraer are becoming more common the way Acer, Samsung, and Daewoo once were when one thinks of emerging multinationals. This skewed representation of dominant players from large developing economies may not be fully representative of smaller emerging multinationals from small and medium-sized developing economies, like those from Southeast Asia. A wider empirical representation of firms from those countries should therefore be encouraged.

The GVC literature is similarly facing empirical limitation issues. Sturgeon and Gereffi (2009) commented that the GVC research, which has traditionally been based on qualitative research of industries, needed to come up with data resources and quantitative measures that could allow a broader comparison across firms, industries and countries. The authors pointed out that the traditional measures based on trade statistics may not reveal much on production processes and the increasing importance of service industries. They called for more innovations to create ‘micro-datasets’ that can explain more on firm behaviours and proposed that business functions can be used to provide researchers and policy makers with a rough map of the value chains and the dynamics within them. This study aims to develop a firm-level database of emerging multinationals from Thailand to be used for further analysis on whether and how international activities of Thai firms affect their positions within different global industries. The next part explains more on the research methodology.

II. Research methodology and database creation

For a study that explores how local firms in developing countries can integrate their international expansion to their previously existing activities in established value chains, Thailand proves to be an appropriate location for several reasons. First, the country has long been one of the leading FDI recipients in Southeast Asia since the mid-1980s. With the increased splitting up of production networks in many global industries, Thailand and Southeast Asia has been the preferred choice for setting up production networks in many industries, particularly textiles & clothing, electronics, and automotive (Kuroiwa and Heng 2008). After two decades of inward FDI, Thailand has also started to invest in other countries. Within Southeast Asia, the country trails behind Singapore, Malaysia and Indonesia in outward FDI stock in 2009 (see UNCTAD 2010, Annex Table 2). Second, a study on Thai multinationals should be a welcome addition to the literature that has recently been dominated by empirical evidence from large developing economies like China and India. Despite being the second most active outward investor following East Asia, Southeast Asia attracts little interest as home countries to the region's emerging multinationals. The empirical overemphasis on large emerging multinationals from the more advanced developing economies may lead to some generalisations that EMNEs reply on rapid, high-risk-high-return internationalisation. This pattern may not, however, apply to all emerging multinationals, especially smaller ones from medium and small emerging economies like those in Southeast Asia.

It is common in developing countries that existing national data sources on outward FDI tend to be sketchy, under-reported and highly aggregated (Pradhan 2008). Thailand is no exception to this statement. Data on outward FDI are provided by the Bank of Thailand (BOT) as aggregate flows and stocks, but no firm-level data is available.[2] The main source of information

[2] The BOT started publishing the Thai Equity Investment Net Flows since 1978, but the BOT figures from 1978-2000 covered only net equity capital flows and not reinvested earnings and intra-company loans. Reinvested earnings have been recorded only since 2001 (see remark 4 in tables on Thai Equity Investment Abroad at http://www.bot.or.th/English/Statistics/EconomicAndFinancial/ExternalSector/Pages/StatFinancialAccount.aspx,

for this study is the Annual Registration Statement (Form 56-1) submitted by all listed firms to the Stock Exchange of Thailand (SET) from 1997-2008. To promote the conduct of good governance, the Securities and Exchange Commission (SEC)—the main supervisory agency—has required that all listed firms submit Form 56-1 since 1997.[3] The 56-1 reports of listed firms are available from the SET data base, SET Market Analysis and Reporting Tools or SETSMART. Form 56-1 requires listed firms to report thirteen categories[4] of information and this study draws mainly from four parts: description of business activities; assets used in business activities; capital structure; and other relevant information. Because overseas activities are not among the mandatory items to be reported, we have to piece together information from these different parts. Data inputs are then checked against notes to financial statements of the financial year 2008, also available from the bourse's SETSMART database.

Although the database on listed Thai multinationals may not be all inclusive of every Thai firm with overseas activities, it is the first time that a firm-level data set on Thai multinationals is created. This set of data should be a good starting point to systematically explore overseas investment activities of emerging Thai multinationals. The dataset also provide details on other management aspects, including the nature of ownership and the purpose for overseas subsidiaries. This set of data is not without shortcomings, however. Without a requirement on how firms report their overseas activities, there is some inconsistency in the extent listed firms provide details of international investment in their financial disclosure. Although the SEC requires that listed firms provide the overall report on business activities of their subsidiaries and associates,[5] there is no requirement on the types of information listed firms

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accessed on 6 August 2010). To comply with the IMF requirement, the BOT started publishing OFDI stock as part of the country's International Investment Position (IIP) in 2002, with figures dating back to 2000. This set of statistics is only available in aggregate format and not at the firm-level detail.

[3] SEC Announcement Number Kor Chor 40/2540 on Financial Statements and Operation Disclosure of listed firms, see http://capital.sec.or.th/webapp/nrs/data/2533s.pdf, accessed on 6 August 2010.

[4] The thirteen categories are: risk factors; description of business activities; description of lines of business activities; research and development; assets used for business activities; future projects; legal disputes; capital structure; management; internal control measures; intra-firm transactions; financial and operational statements; and other relevant information.

[5] The Thai Accounting Standard No. 44 (revised in 2007) refers to a *'subsidiary'* as an entity 'that is controlled by another entity (known as the dominant or parent). It is presumed that there is control when the parent owns, directly or indirectly through other subsidiaries, more than half the voting power of another entity.' An '*associate'* is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. It is presumed that an investor has significant influence when the investor holds, directly or indirectly (e.g. through subsidiaries), 20 per cent or more of the voting

need to provide on these companies. For example, firm A may include only names of overseas subsidiaries and associates without revealing the size and details of their activities, whereas firm B provide details and values of all their overseas investment. Such discrepancy may undermine the accuracy of the actual value of OFDI. To ensure the dataset accuracy, we check names of overseas subsidiaries and associates obtained from part two of the 56-1 form against notes to consolidated financial statements, which are submitted separately to the SET.

Another area of limitation for this data set is the different sectoral grouping the SET adopts when compared with other government agencies, particularly the BOT. Both agencies follow their own guidelines in grouping firms under different sectors, and therefore make it difficult to perform an intra-agency comparison. Problems on data discrepancies can be effectively addressed if government agencies see the significance of collecting a census on Thai outward FDI the way they do with inward FDI and make sure that data consistency is adopted among all concerned agencies.

This data set is yet to be completed. Two major tasks that remain to be done are: to check the past financial statements of firms that reported overseas activities in order to make the data set as complete as the available information allows; and to include firms that are not listed in the SET but are known to engage in overseas activities. With a more complete data set, we should be able to explore more on how Thai firms integrate their international expansion into their overall competitive strategy. The next part discusses some overview aspects of Thai multinationals' activities from the current state of the data set.

III. Thai outward FDI and profiles of Thai multinationals

Overview of Thai outward FDI

Insert Table 1: Overview of Thai OFDI

power of investee. All Thai Accounting Standards are available from the website of Thailand's Federation of Accounting Professions at www.fap.or.th.

Table 1 presents the overview picture of outward FDI of listed firms in the SET. Of the total number of 476 listed firms, 173 firms have engaged in outward FDI activities, representing 36.3 per cent. Compared with a previous study conducted in 2003 (Pananond and Karnchuchat 2006) when only 18.8 per cent (59 out of 314) of listed firms reported overseas activities, it is clear that more Thai firms have been actively involved in outward FDI. In addition to OFDI value, the number of firms that have undertaken OFDI can indicate the level of activeness among firms in different sectors.

From our record, the internationalising Thai firms are most active in property development (23 out of the total number of 173 outward investing firms, or 13.3 per cent). Agribusiness comes second with 13 out of 173, or 7.5 per cent of all outward investing firms. The third position is tied between food & beverage and energy & utilities, at 6.9 per cent. However, if we add agribusiness to food & beverage, it is clearly evident that the sectors in which firms are most actively expanding overseas is agro & food industry (at 14.4 per cent).

Table 1 also presents the overall value of OFDI of all listed firms. Compared with the total value of OFDI reported by the BOT in their international investment position (IIP) survey results as of December 2008 (see table 2),[6] our figure amounts to 43.2 per cent of Thailand's total OFDI in 2008. Two main reasons that explain why our figure is lower than that of the BOT are, first, not all firms that invest overseas are listed in the SET. In the next stage of our data collection, we will supplement our data inputs with information of firms that have been reported in the news for having invested overseas. Such addition, along with checking the archive for notes to financial statements for the period of 2000-07,[7] should enhance the accuracy of our data set. The second reason for data inconsistency is the different accounting method used to collect OFDI value. While the BOT figures are based on equity method, our data inputs rely on paid-up capital calculation. Despite these discrepancies, our data set accounts for almost half of all international activities of Thai firms.

[6] The IIP survey results can be accessed at http://www.bot.or.th/English/EconomicConditions/Survey/reportEN/IIPSurvey_E.pdf.

[7] Because we are using the BOT figures of OFDI as benchmarks, we are using the same period that the data on OFDI stock has been reported by the BOT as part of Thailand's international investment position. Prior to 2000, there is no report on OFDI stock value.

Insert Table 2: Thailand's OFDI classified by sector

When the OFDI value is considered, the two sets of data reveal some comparable results. Though not ranked in the same order, electronic components (electrical machinery & appliances),[8] agro & food industry (food & beverage), and petrochemicals & chemicals (chemicals) are among the sectors that accounted for the highest value of OFDI from Thailand. There are some differences between the two data sets, however. While our record shows that property development and fashion ranked among the sectors with the highest OFDI value, with property ranking first and textile third, the significance of these two sectors in the BOT statistics is not as evident. The discrepancy in the ranking of OFDI value could result from the different categorisation of the BOT and the SET.

It is evident, nonetheless, that Thai MNEs are most active in industries whose value chains have been extensively globalised, particularly agribusiness & food, electronics, and textiles. These sectors are conventional representatives of both the producer-driven (i.e electronics) and buyer-driven chains (i.e. agribusiness & food and textiles). In addition, they are also sectors into which Thai firms have been successfully able to integrate as suppliers. This can be considered as preliminary evidence that participation in global value chains is a positive factor contributing to the early development of emerging multinationals. The next part explores the ownership of listed Thai multinationals.

Ownership of Thai multinationals

Table 3 summarises the ownership structure of listed firms with overseas investment. We use the cut-off ownership percentage of 20 per cent to identify the owners of the company. According to the Thai Accounting Standard, an investor holds a 'significance influence' in an investee when the investor controls more than 20 per cent of the voting power.[9] Ownership

[8] Names in parenthesis are those used by the BOT for their industrial sector grouping.
[9] See Thailand Accounting Standard no. 45 (Investments in Associates), which can be accessed from the website of Thailand's Federation of Accounting Professions at www.fap.or.th.

structure is a topic of many studies, and a variety of method has been used to identify the ultimate ownership of listed firms.[10] Tracing ultimate ownership through layers of subsidiaries and cross-shareholding is beyond the scope of this paper. We therefore adopt the 20 per cent cut-off rate to identify the nature of ownership in listed Thai firms. Although this method of identifying owners may sound too simplistic, given that firms can use cross-shareholdings and pyramidal ownership structure to disguise the ultimate owners, it has been confirmed that the majority (78.92 per cent) of controlling shareholders in the Thai bourse use the simple ownership structure to control the firms (Wiwattnakantang 2000: 21). Our simplified method of identifying owners should therefore be sufficient for the purpose of this study in presenting a broad picture of who owns Thai multinationals.

We divide the owners of firms into three main categories: a) Thailand-based; b) overseas-based; and c) widely-held. Under the Thailand-based category, we divide listed firms into three further sub-categories. If the top ten shareholders share the same family name and their shareholding exceeds 20 per cent, the firm is considered 'Thai family-owned'. State ownership is recorded when any individual state agency controls more than 20 per cent of the listed firm. When owners are families of foreign nationals who have long been based and established their businesses in Thailand, we classified them as foreign nationals in Thailand to distinguish from Thai families and from foreign MNEs. The only two cases in this category are the Heinecke family[11] of the Minor group and the Shah family[12] of Precious Shipping. For overseas-based owners, we differentiate between foreign MNEs and financial institutions. The ownership of foreign investors is further divided into those that hold between 10 and 20 per cent in the listed firm, and those with control over 20 per cent. According to the IMF, a foreign direct investment takes place when 10 per cent or more of the ordinary shares or voting power is controlled by a foreign investor (IMF 1993). We therefore included the 10 -20 per cent bracket to reflect the involvement of a foreign MNE in listed Thai firms. A firm is 'widely-held' when no single investor controls up to 20 per cent of the firm.

[10] The ownership structure of listed firms has been a topic for many scholars who have relied on different methods in identifying the ultimate owners of Thai firms (see, for example, Suehiro 2001, 1989; Classens, Djankov and Lang 1999; Wiwattanakantang 2000).

[11] See a profile of William E. Heinecke, who founded the Minor group in Thailand in 1967, from Gluckman 2009 (http://www.forbes.com/global/2009/1005/thailand-richest-09-william-heinecke-excellent-adventure.html), and from the company websites http://www.minorcorporation.com/about_history.asp, accessed on 6 August 2010.

[12] See the history of the Shah family, which started in India more than 150 years ago, but moved its operational base to Thailand since 1918 at http://www.premjee.com/content/history, accessed on 6 August 2010.

Of the total 173 firms with overseas investment, we are able to clearly define the ownership of 158 firms while 15 firms are registered in more than one category of ownership. The main scenario that leads to double counting is when listed firms have both foreign and Thai owners, the former owning more than 10 per cent while the latter owning more than 20 per cent. This would result in the firm being counted as having both foreign and Thai ownership.

[Insert Table 3: Ownership of Thai MNEs]

Table 3 shows that the three major types of ownership in Thai MNEs are: Thai families; foreign MNEs; and the Thai state. While the ownership of Thai families spread across industries, state ownership is mostly concentrated in energy & utilities. Foreign ownership is prominent in the more technologically-intensive sectors like information & communication technology (ICT), industrial materials & machinery, automotives and electronic components. While this can be expected as local firms may not possess the level of technology required for operation in those industries, it should be noted that these are among the ‘producer-driven’ global value chains, in which foreign manufacturers plays a major role in driving the chains forward through their overseas subsidiaries (see Gereffi 1994). The main implication here is that emerging Thai multinationals in these sectors have already been part of their industries’ value chains as suppliers to or partners of these foreign multinationals. Their subsequent expansion beyond Thailand should lead to important insights on the dynamics of their international expansion within their extant chains.

Destinations of Thai MNEs

Table 4 and figure 1 summarise the overall destinations of Thai MNEs. Developing Asian economies, particularly Southeast Asia and China, are the most important destinations for Thai multinationals, together accounting for 71.2 per cent of the total amount of overseas activities. Outward investment in the more developed countries of North America and Europe is also noticeable, especially in ‘buyer-driven’ industries like food, personal products and fashion.

Compared to 'producer-driven' sectors like automotives and electronics which tend to stay closer to Asia, the industries driven by global buyers record higher percentage of investment in developed economies. Service MNEs also show a stronger preference for developing economies in Asia, although some may have more far-reaching destinations in North America or Europe. While these findings may come as no surprise as the IB literature on emerging multinationals has previously indicated that emerging MNEs tend to concentrate in other developing economies in their early stage of development and expand further once they gain more international experience. What needs to be investigated further is the strategy behind these firms' choices of where to locate which functions along their value chains. Before this issue is addressed in the next part, one aspect that should not be ignored is the high percentage of investment in tax-haven countries like the British Virgin Islands (BVI), Cayman Islands, and Mauritius. These three countries alone formed the third largest group of host countries for Thai multinationals, accounting for as high as 11.6 per cent of the total outward investment. Because it is difficult to trace whether and how investment in these countries may be redirected toward other destinations, this finding should serve as alarming sign for concerned agencies to find ways to get more information on this type of investment. In the next part, we explore who the major Thai multinationals in order to learn more about their overseas activities.

[Insert Table 4 and Figure 1: Destinations of Thai MNEs]

Profiles of Thai MNEs

To find out more about who the Thai multinationals are, we ranked the top 15 non-financial MNEs[13] on numbers of overseas subsidiaries and OFDI value (see Tables 5 and 6). Looking only at their size may not fully reveal how dynamic they have been in trying to establish their presence overseas. We therefore rank the Thai multinationals on the number of their overseas subsidiaries to learn more about their dynamism. Tables 5 shows that Siam Cement

[13] This study follows the UNCTAD practice in excluding financial firms from the ranking of MNEs. Financial MNEs are excluded because of the different economic functions of assets of these firms (see http://www.unctad.org/templates/Page.asp?intItemID=2443&lang=1, accessed on 6 August 2010).

(SCC) is the number one Thai multinational with the most number of overseas subsidiaries (82), while Land and House (LH) ranks first in terms of OFDI value. Five companies that are included in both lists are: Charoen Pokphand Foods (CPF), Banpu, Delta Electronics, Saha-Union (SUC), and Cal-Comp Electronics Thailand (CCET).

Insert Tables 5 and 6: Top 15 (non-financial) Thai MNEs

Two features should be emphasisesd when the two tables are compared. First, the role of foreign MNEs as parent company is quite obvious among the largest Thai multinationals. Six out of fifteen are Thai firms with foreign parents. One implication could be that Thai MNEs that have been part of foreign MNEs tend to have larger amount of OFDI when compared with Thai-owned firms. While this could be expected as foreign MNEs are naturally larger when compared with Thai multinationals, it reinforces the main issue addressed in this paper of how local firms integrate their different roles as partners in value chains established by foreign MNEs and as investors in their own value chains. A closer analysis of Tables 5 and 6 shows that three out of six firms with foreign parents (i.e Delta Electronics, Cal-Comp Electronics (Thailand), and Hana Microelectronics) are in electronics, which happens to be one of the key representative of ‘producer-driven’ industries in the GVC literature.

The second feature to be noted is the presence of service MNEs among the top Thai multinationals. From 25 firms which are ranked in Tables 5 and 6, ten are in service sectors, particularly transportation and property development. The significance of Thai service MNEs not only confirms the global trend that service industries have significantly increased their overseas involvement (Merchant and Gaur 2008), it also raises questions from the GVC perspective how service firms divide and diffuse functions in their value chains overseas.

To learn more about the value chains of Thai multinationals, we select five companies from the two lists of top non-financial Thai MNEs. The five are divided into two groups: one from industries whose value chains are known to be globally integrated; and the other from sectors that are less vertically integrated worldwide. Dividing the first group further into producer- and buyer-driven industries, we select Delta Electronics (Thailand)—Delta to represent the former and Charoen Pokphand Foods (CPF) and Saha Union (SUC) for the latter. The second group of case studies are drawn from industries whose value chains are less globally integrated compared to the first group but are fast becoming important sectors for global outward FDI. Banpu in mining represents a case from resource-based industries while Land and House (LH) can reveal more about outward FDI in services. Both resources and services have recently become a key feature in the global FDI flows (see UNCTAD 2010). A closer look on the five cases drawn from industries with different characteristics of value chains should shed more light on how these Thai firms integrate international expansion into their value chain. Tables 7-11 present the profile of these firms.

Insert Tables 7-11 here

From the above tables, it is evident that Thai MNEs concentrate most on expanding the existing business operations overseas. With the exception of Delta and CPF, operation is the function that is most frequently extended abroad and mostly to other developing countries within Asia. For Delta and CPF, the business function that is most frequently internationalised is marketing, sales and account management, which is also the second most internationalised function for Saha Union. Locating operation activities in developing economies of Asia while moving upstream activities like marketing to developed countries of North America and Europe appears to be the pattern shared among the more advanced Thai multinationals.

Another feature that should be noted is that MNEs from the sectors that are characterised by the global value chain integration undertake a broader range of business functions in their internationalisation process. Comparing Delta and CPF to the other three firms, it is obvious that the former two are engaged in a broader range of activities whereas Banpu, SUC, and LH tend to extend only their main operations overseas. The other business function that the latter three firms may extend abroad is to set up investment companies, which we classified as strategic investment in this study. The narrower range of internationalisation among these firms may result from a variety of reasons, including their shorter internationalisation experience or the nature of their industry. Still, it is noteworthy to explore further whether there are different patterns of value chain distribution in services and resources when compared to manufacturing.

Even among the sectors whose value chains have been extensively globalised like electronics and food, some differences can still be discerned in the way our two cases choose to internationalise their different functions. When compared with CPF, Delta appear to be more internationalised in both their core business functions (e.g. marketing, sales and account management; operations; product and service development) and their supporting activities (e.g. firm infrastructure; and transportation, logistics and distribution). While many factors could explain this difference, it is interesting from the GVC perspective to explore whether the different nature of the governance structure (i.e producer- v.s buyer-driven) could lead to the different strategy of internationalising value chain activities. It is also possible to explore whether the involvement of a foreign parent company could lead to the internationalisation of a broader range of business activities.

IV. Conclusion

This paper is a preliminary overview of Thai multinationals, exploring who they are, who owns them, where they go and what they do abroad. Although the findings reported here may describe some general patterns that cannot yet be assumed to be generalisable to all Thai firms, it is the first time that a firm-level database is created on Thai multinationals that could allow further studies on the operations of these Thai firms.

While this paper may not provide specific answers as much as it raises further questions, it nonetheless confirms that there is a definite need to explain the outward FDI of emerging MNEs from the global value chain perspective. It is evident that the Thai MNEs with more advanced international activities are drawn from a similar set of industries whose value chains are globalised across countries, either through a producer- or buyer-driven mechanism. More in-depth studies could be undertaken to explore different patterns of the internationalisation of value chains. Services and resource-based sectors provide an additional context that can be integrated to the extant view in order to enhance our understanding.

Another area that could be further explored is whether and how the nature of ownership can affect the internationalisation of activities during different stages of the value chain. From our study, it is apparent that Thai multinationals with local owners display a rather different behaviour from those with foreign parent company involvement. Although it may be misleading to call companies with foreign parents as Thai multinationals, these firms have nonetheless been established in Thailand and their international expansions have been counted as part of the country's outward FDI. More importantly, the international expansion activities that have been included in this study were initiated by the local arm of the more globalised parent MNEs, prompting further questions on how these local firms with MNE parents use their international expansion in modifying their position within the established value chains. Given that some of these firms have also set up their own products with their own value chains, it would be interesting to explore how these Thai multinationals simultaneously operate in different sets of value chains.

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Table 1: Overview of Thai OFDI

Industry	number of firms			OFDI value	
	Total	With OFDI	percentage (sector/total)	Value (Million$)	%share
Agro & Food Industry					
Agribusiness	19	13	7.5	248.2	6.3
Food and Beverage	24	12	6.9	163.3	4.1
Consumer Products					
Fashion	24	8	4.6	377.1	9.5
Home & Office Products	11	7	4.0	27.9	0.7
Personal Products & Pharmaceuticals	6	4	2.3	2.4	0.1
Financials					
Banking	12	9	5.2	658.1	16.6
Finance and Securities	33	6	3.5	117.1	3.0
Insurance	16	0	0.0	0.0	0.0
Industrials					
Automotive	20	5	2.9	20.0	0.5
Industrial Materials & Machinery	23	7	4.0	44.4	1.1
Paper & Printing Materials	2	0	0.0	0.0	0.0
Petrochemicals & Chemicals	12	4	2.3	367.4	9.3
Packaging	13	3	1.7	68.2	1.7
Property & Construction					
Construction Materials	31	8	4.6	149.3	3.8
Property Development	58	23	13.3	487.6	12.3
Resources					
Energy & Utilities	26	12	6.9	247.6	6.3
Mining	2	1	0.6	5.2	0.1
Services					
Commerce	14	8	4.6	123.2	3.1
Health Care Services	13	3	1.7	32.3	0.8
Media & Publishing	27	7	4.0	34.8	0.9
Professional Services	3	1	0.6	1.6	0.0
Tourism & Leisure	15	6	3.5	72.8	1.8
Transportation & Logistics	15	8	4.6	50.2	1.3
Technology					
Electronic Components	10	5	2.9	413.2	10.5
Information & Communication Technology	27	10	5.8	235.2	6.0
Companies Under Rehabilitation	20	3	1.7	5.3	0.1
Total	**476**	**173**	**100.0**	**3952.5**	**100.0**

Source: compiled by author

Table 2: Thailand’s outward FDI (equity capital and reinvested earnings abroad) classified by business sector

Sector	Value(Million US$)	%share
Financial Institution	2,934	32.1
Trade	811	8.9
Car	127	1.4
Petroleum Products	-	0
Others	684	7.5
Construction	153	1.7
Mining & Quarrying	927	10.1
Oil and natural gas	-	0
Others	927	10.1
Industry	2,991	32.7
Food and Beverage	674	7.4
Textiles	312	3.4
Metal	35	0.4
Non-metal	60	0.7
Electrical Machinery &appliances	702	7.7
machinery	1	0
Transport equipment &parts	108	1.2
Chemicals	570	6.2
Paper	138	1.5
Rubber	134	1.5
Petroleum Products	8	0.1
Cement	25	0.3
Others	224	2.4
Services	614	6.7
Transportation & travel	529	5.8
Others	85	0.9
Real estate	571	6.2
Housing and real estate	475	5.2
Hotel and restaurant	96	1
Others	146	1.6
Total	**9,147**	**100**

Source: Bank of Thailand, Report on Thailand's International Investment Position as the end of December 2008

Table 3: Ownership of Thai MNEs

Industry	Nature of parent company						
	Thailand-based			Overseas-based			Widely Held
	Thai Family	Foreign nationals	State	Foreign MNEs 10%≤ x < 20%	x ≥ 20%	Financial Institution	
Agro & Food Industry							
Agribusiness	10			3	1		
Food and Beverage	8	1			3		1
Consumer Products							
Fashion	6			1	1		1
Home & Office Products	4					1	2
Personal Products & Pharmaceuticals	3				1		
Financials							
Banking	1		3		3		3
Finance and Securities			1		2	2	1
Insurance							
Industrials							
Automotive	4				3		
Industrial Materials & Machinery	4				4		
Paper & Printing Materials							
Petrochemicals & Chemicals	1		1	1	1		
Packaging	2				1		
Property & Construction							
Construction Materials	5					2	2
Property Development	16				2		7
Resources							
Energy & Utilities	3		5				4
Mining					1		
Services							
Commerce	7	1					
Health Care Services							3
Media & Publishing	7			2	1		
Professional Services					1		
Tourism & Leisure	3				3		1
Transportation & Logistics	5	1	1				1
Technology							
Electronic Components					3	1	1
Information & Communication Technology	4			1	4		3
Companies Under Rehabilitation	1				1		1
Total	**94**	**3**	**11**	**8**	**36**	**6**	**31**

Source: same as table 1

Table 4: Destinations of Thai MNEs

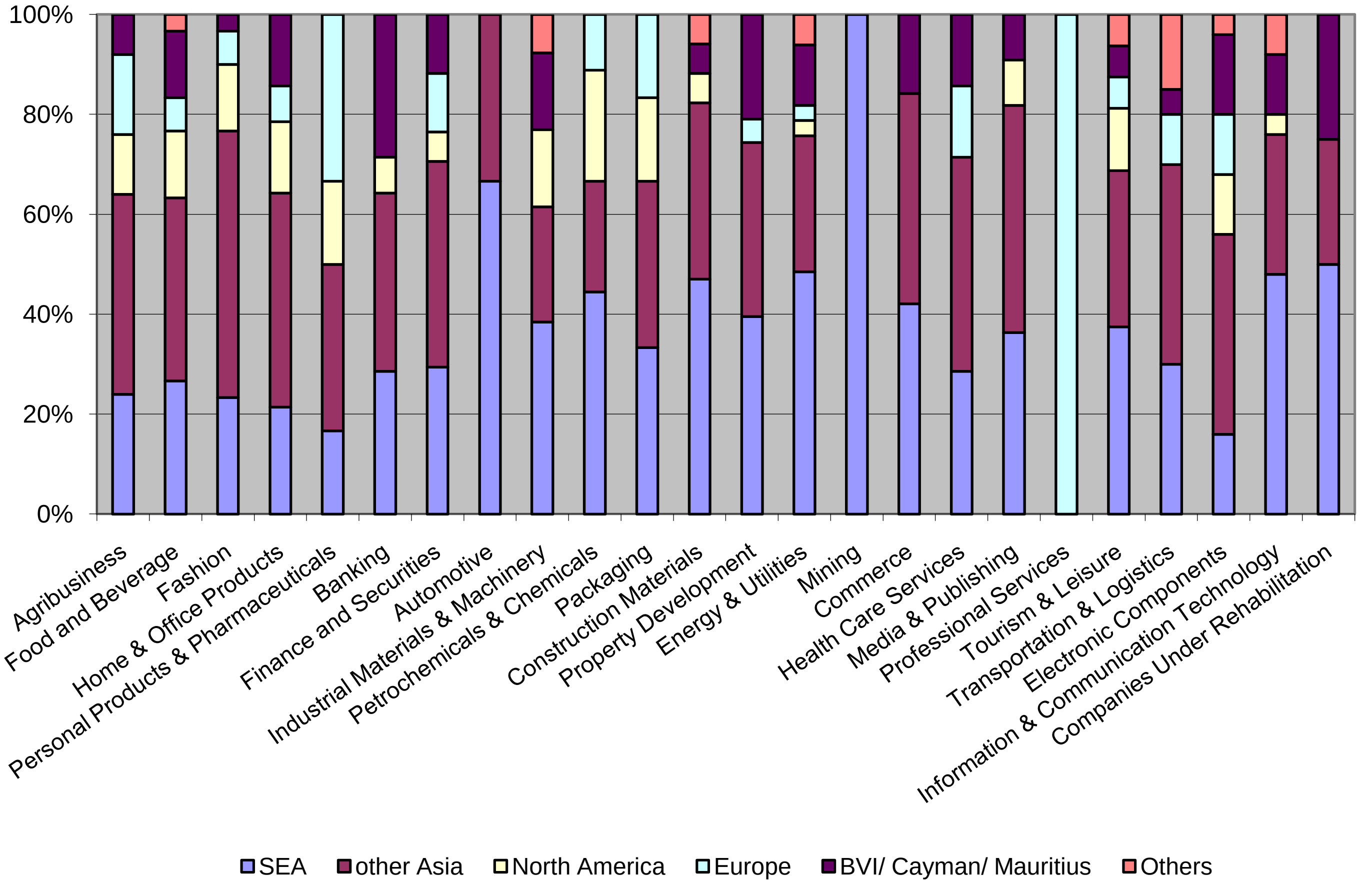
Industry	Countries											
	Southeast Asia		Asia exclude SEA					North	Europe		BVI/ Cayman/	Others
	CLMV	ASEAN6	China	HK	India	Middle East	Others	America	EU	Non-EU	Mauritius	
Agro & Food Industry												
Agribusiness	1	5	6	1	1		2	3	3	1	2	
Food and Beverage	5	3	7	1		1	2	4	1	1	4	1
Consumer Products												
Fashion	4	3	7	5	1	1	2	4	2		1	
Home & Office Products	1	2	4	1	1			2	1		2	
Personal Products & Pharmaceuticals		1	1	1				1	2			
Financials												
Banking	1	3	1	3			1	1			4	
Finance and Securities	3	2	1	4	1		1	1	2		2	
Insurance												
Industrials												
Automotive	4	2	1		1		1					
Industrial Materials & Machinery	3	2	1	1			1	2			2	1
Paper & Printing Materials												
Petrochemicals & Chemicals	1	3	2					2	1			
Packaging	1	1	1				1	1		1		
Property & Construction												
Construction Materials	3	5	3	1		1	1	1			1	1
Property Development	9	8	2	5	2	3	3		1	1	9	
Resources												
Energy & Utilities	8	8	4			2	3	1	1		4	2
Mining	1											

Table 4: Destinations of Thai MNEs (continued)

Industry	Countries											
	Southeast Asia		Asia exclude SEA					North	Europe		BVI/ Cayman/	Others
	CLMV	ASEAN6	China	HK	India	Middle East	Others	America	EU	Non-EU	Mauritius	
Services												
Commerce	5	3	4	3			1				3	
Health Care Services	1	1		1		2			1		1	
Media & Publishing	3	1	1	2		1	1	1			1	
Professional Services									1			
Tourism & Leisure	3	3	2	1	1	1		2	1		1	1
Transportation & Logistics	2	4	2	2	2	1	1		2		1	3
Technology												
Electronic Components	1	3	4	3	1		2	3	2	1	4	1
Information & Communication Technology	6	6	1	2	2	2		1			3	2
Companies Under Rehabilitation	1	1		1							1	
Total	**119**	**121**	**87**	**67**	**25**	**31**	**36**	**45**	**35**	**7**	**79**	**28**

Source: same as table 1

Figure 1: Destinations of Thai MNEs



Source: same as table 1

Table 5: Top 15 (non-financial) Thai MNEs by number of overseas affiliate

Company Name	Sector	number of overseas affiliates	OFDI Value (Million US$)	Nature of parent company						
				Thailand-based			Overseas-based			Widely Held
				Thai Family	Foreign nationals based in Thailand	State	Foreign MNEs		Financial Institution	
							10%≤ x < 20%	x ≥ 20%		
SCC	construction	82	29.1	x						
CPF	Agribusiness	61	213.3	x						
MINT	Food &Beverage	60	3.5		x					
BANPU	Energy and Utilities	39	94.2							x
DELTA	Electronic Components	37	304.5					x		
PTTEP	Energy and Utilities	34	11.3			x				
SUC	Fashion	33	300.1	x						
RCL	Transportation	30	22.2	x						
TTA	Transportation	26	8.1							x
HANA	Electronic Components	24	39.5					x		
CNT	Property	24	37.2	x						
ITD	Property	24	21.3	x						
PSL	Transportation	24	18.0		x					
SYNTEC	Property	20	47.5							x
CCET	Electronic Components	19	63.4					x		

Source: same as table 1

Note: Company Name

SCC	THE SIAM CEMENT PCL.	PTTEP	PTT EXPLORATION AND PRODUCTION PCL.	ITD	ITALIAN-THAI DEVELOPMENT PCL.
CPF	CHAROEN POKPHAND FOODS PCL.	SUC	SAHA-UNION PCL.	PSL	PRECIOUS SHIPPING PCL.
MINT	MINOR INTERNATIONAL PCL.	RCL	REGIONAL CONTAINER LINES PCL.	HANA	HANA MICROELECTRONICS PCL.
BANPU	BANPU PCL.	TTA	THORESEN THAI AGENCIES PCL.	SYNTEC	SYNTEC CONSTRUCTION PCL.
DELTA	DELTA ELECTRONICS (THAILAND) PCL.	CNT	CHRISTIANI & NIELSEN (THAI) PCL.	CCET	CAL-COMP ELECTRONICS (THAILAND) PCL.

Table 6: Top 15 (non-financial) Thai MNEs by OFDI Value

Company Name	Sector	number of overseas affiliates	OFDI Value (Million US$)	Nature of parent company					
				Thailand-based		Overseas-based			Widely Held
				Thai Family	State	Foreign MNEs		Financial Institution	
						10%≤ x < 20%	x ≥ 20%		
LH	Property	11	343.8	x					
DELTA	Electronic Components	37	304.5				x		
SUC	Fashion	33	300.1	x					
CPF	Agribusiness	61	213.3	x					
PTTCH	Petrochemical	3	202.3		x				
CPALL	Commerce	9	117.0	x					
TASCO	Construction Material	12	113.2	x				x	
TUF	Food and Beverage	13	110.2	x					
SHIN	Information and Technology	17	108.4				x		
IRP	Petrochemical	7	95.4				x		
BANPU	Energy and Utilities	39	94.2						
PTL	Packaging	4	66.2				x		
CCET	Electronic Components	19	63.4				x		
TCB	Petrochemical	7	62.0			x			
TRUE	Information and Technology	17	57.9	x					

Source: same as table 1

Note: Company Name

LH	LAND AND HOUSES PCL.	CPALL	CP ALL PCL.	BANPU	BANPU PCL.
DELTA	DELTA ELECTRONICS (THAILAND) PCL.	TASCO	TIPCO ASPHALT PCL.	PTL	POLYPLEX (THAILAND) PCL.
SUC	SAHA-UNION PCL.	TUF	THAI UNION FROZEN PRODUCTS PCL.	CCET	CAL-COMP ELECTRONICS (THAILAND) PCL.
CPF	CHAROEN POKPHAND FOODS PCL.	SHIN	SHIN CORPORATION PCL.	TCB	THAI CARBON BLACK PCL.
PTTCH	PTT CHEMICAL PCL.	IRP	INDORAMA POLYMERS PCL.	TRUE	TRUE CORPORATION PCL.

Table 7: Oversea Investment Profile of Delta Electronics (Thailand) Public Company Limited

	Business Function	**Countries**											**Total**
		Southeast Asia		**Asia exclude SEA**				**North America**	**Europe**		**BVI/ Cayman/ Mauritius**	**Others**	
		CLMV	**ASEAN6**	**China**	**HK**	**India**	**Others**		**EU**	**non-EU**			
1	Strategic management	1	1						2		3		**7**
2	Product or service development				1			1	5	1			**8**
3	Marketing, sales and account management		1	2	2		1	1	9	2	2	1	**21**
4	Intermediate input and materials production												
5	Procurement												
6	Operations	1		2				2	7			1	**13**
7	Transportation, logistics and distribution							1					**1**
8	General management and corporate governance												
9	Human resource management												
10	Technology and process development												
11	Firm infrastructure											1	**1**
12	Customer and after-sales services		1						1				**2**
	Total	**2**	**3**	**4**	**3**		**1**	**5**	**24**	**3**	**5**	**3**	**53**

Source: same as table 1

Table 8: Oversea Investment Profile of Charoen Pokphand Foods Public Company Limited

Business Function		Countries											Total
		Southeast Asia		Asia exclude SEA				North America	Europe		BVI/ Cayman/ Mauritius	Others	
		CLMV	ASEAN6	China	HK	India	Others		EU	non-EU			
1	Strategic management		2		1						4		**7**
2	Product or service development												
3	Marketing, sales and account management	1	1	3		1	1	2	33		1		**43**
4	Intermediate input and materials production	2	2	3		1				1			**9**
5	Procurement												
6	Operations	2	3	2		1		1	1	2			**12**
7	Transportation, logistics and distribution												
8	General management and corporate governance												
9	Human resource management												
10	Technology and process development												
11	Firm infrastructure												
12	Customer and after-sales services												
Total		**5**	**8**	**8**	**1**	**3**	**1**	**3**	**34**	**3**	**5**		**71**

Source: same as table 1

Table 9: Oversea Investment Profile of Saha-Union Public Company Limited

	Business Function	**Countries**											**Total**
		Southeast Asia		**Asia exclude SEA**				**North America**	**Europe**		**BVI/ Cayman/ Mauritius**	**Others**	
		CLMV	**ASEAN6**	**China**	**HK**	**India**	**Others**		**EU**	**non-EU**			
1	Strategic management			1	1								**2**
2	Product or service development												
3	Marketing, sales and account management			2	1		1	2	1				**7**
4	Intermediate input and materials production			2									**2**
5	Procurement						1						**1**
6	Operations	1		18									**19**
7	Transportation, logistics and distribution												
8	General management and corporate governance												
9	Human resource management												
10	Technology and process development												
11	Firm infrastructure												
12	Customer and after-sales services												
	Total	**1**		**23**	**2**		**2**	**2**	**1**				**31**

Source: same as table 1

Table 10: Oversea Investment Profile of Land and Houses Public Company Limited

Business Function		Countries											
		Southeast Asia		Asia exclude SEA				North	Europe		BVI/ Cayman/	Others	Total
		CLMV	ASEAN6	China	HK	India	Others	America	EU	non-EU	Mauritius		
1	Strategic management				1					1	2		**4**
2	Product or service development												
3	Marketing, sales and account management												
4	Intermediate input and materials production												
5	Procurement												
6	Operations		8										**8**
7	Transportation, logistics and distribution												
8	General management and corporate governance												
9	Human resource management												
10	Technology and process development												
11	Firm infrastructure												
12	Customer and after-sales services												
Total			**8**		**1**					**1**	**2**		**12**

Source: same as table 1

Table 11: Overseas Investment Profile of Banpu Public Company Limited

Business Function		Countries											
		Southeast Asia		Asia exclude SEA				North America	Europe		BVI/ Cayman/ Mauritius	Others	Total
		CLMV	ASEAN6	China	HK	India	Others		EU	non-EU			
1	Strategic management		1		2							1	**4**
2	Product or service development												
3	Marketing, sales and account management		1										**1**
4	Intermediate input and materials production												
5	Procurement												
6	Operations	2	3	2									**7**
7	Transportation, logistics and distribution												
8	General management and corporate governance												
9	Human resource management												
10	Technology and process development												
11	Firm infrastructure												
12	Customer and after-sales services												
Total		**2**	**5**	**2**	**2**							**1**	**12**

Source: same as table 1